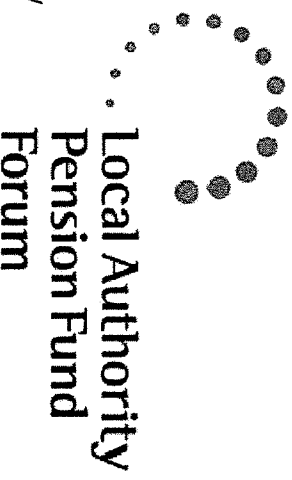


EXHIBIT A

Local authority pension fund forum (LAPFF)



WHAT IS LAPFF?

The Local Authority Pension Fund Forum (LAPFF) is a voluntary association of 38 public sector pension funds (with assets of around £60 billion) based in the UK.

The West Midlands Pension Fund is a founding member of LAPFF. It exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders in promoting corporate social responsibility (CSR) and high standards of corporate governance (CG) amongst the companies in which they invest.

WHAT DOES THE LAPFF DO?

LAPFF acts in the interest of local authority pension funds. In particular, it aims to secure

improvements in the way companies are run – i.e. improvements in the CG of the companies in which member funds invest. The Forum is also concerned to promote CSR on environmental issues and

issues relating to overseas employment standards.

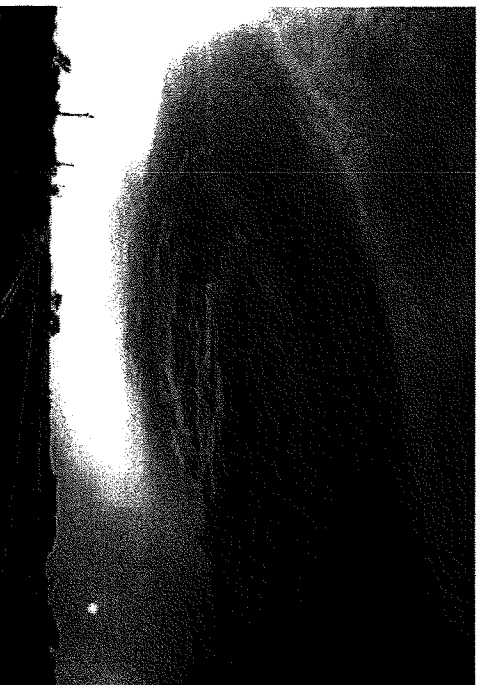
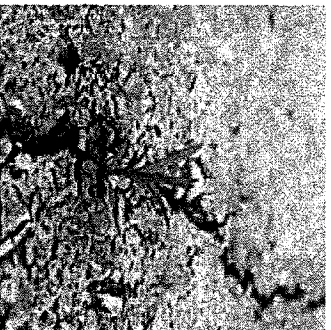
HOW DOES IT WORK?

- The Forum researches companies with a view to finding best practice in CG. Poor performance on environmental issues, overseas employment standards and poor CG, generally within the boardroom, will always be vigorously challenged. For example, the Forum monitors directors' remuneration packages and companies' reporting of

their compliance with DEFRA standards on greenhouse gas emissions

- The LAPFF alerts its members to boardroom issues causing concern, and where it appears that companies are not complying with accepted standards of best practice. The main emphasis is to encourage member funds to engage with companies, and to lobby – via the press and media – generally with a view to securing their objectives. Members are also encouraged to exercise their voting rights on such issues whenever appropriate to do so.

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- The LAPFF also seeks

opportunities to collaborate with other institutional investors in campaigning on these various issues, both nationally and internationally. For example, the Forum agreed to support an initiative, launched by several key US state treasurers, to organise an institutional investor summit on climate change.

- The Forum has produced a guide to assist funds in monitoring the effectiveness of their fund managers in dealing with CG issues and issues relating to CSR.

HOW OFTEN DOES IT MEET?

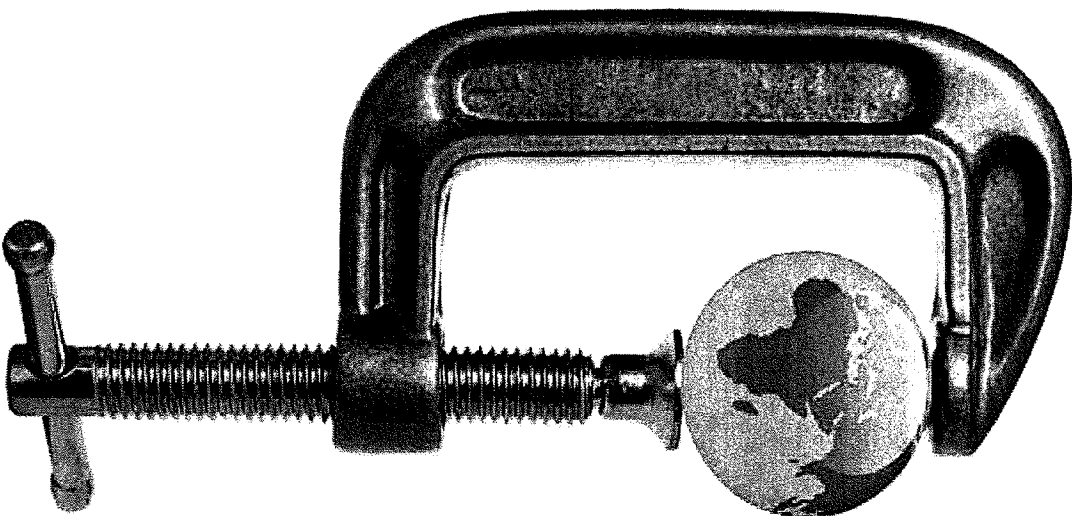
The Forum normally meets four times each year, usually in London, and holds its AGM at the end of November/early December – latterly at Bournemouth. Most decisions are taken by consensus, in the event of a vote, each fund has one vote, irrespective of size.

WHICH FUNDS BELONG TO THE LAPFF?

The LAPFF draws its membership from all parts of the UK, and from funds of all sizes and under differing political control. Membership has increased by 60% over the last three years and now stands at 38 funds.

LAPFF membership as at 1 August 2006

- | | |
|--|---|
| • Avon Pension Fund | • London Pension Fund Authority |
| • City of Edinburgh Council | • Merseyside Pension Fund |
| • Clwyd Pension Fund | • Norfolk Pension Fund |
| • Derbyshire County Council | • Northamptonshire County Council |
| • Devon County Council | • North Yorkshire County Council |
| • Dyfed Pension Fund | • Nottinghamshire County Council |
| • Greater Gwent Fund | • Shropshire County Council |
| • Greater Manchester Pension Fund | • Somerset County Council |
| • Lancashire County Pension Fund | • South Yorkshire Pensions Authority |
| • London Borough of Brent | • South Yorkshire Passenger Transport Authority |
| • London Borough of Camden | • Teesside Pension Fund |
| • London Borough of Croydon | • Tyne and Wear Pension Fund |
| • London Borough of Hackney | • West Midlands Pension Fund |
| • London Borough of Hammersmith & Fulham | • West Midlands PTA Pension Fund |
| • London Borough of Hillingdon | • West Yorkshire Pension Fund |
| • London Borough of Hounslow | • Wiltshire County Council |
| • London Borough of Islington | • Worcestershire |
| • London Borough of Newham | |
| • London Borough of Southwark | |
| • Lincolnshire County Council | |



EXAMPLES OF LAPFF WORK**External Investor Initiatives – Participation with Other Investors**

The last five years have seen a growth in the use of shareholder action initiatives by pension funds and other investors. Alongside the Forum's own efforts, other pension funds and investors, including asset managers, are increasingly willing to use their ownership of shares to promote best practice in CG and CSR, not only in the UK, but also in other global capital markets.

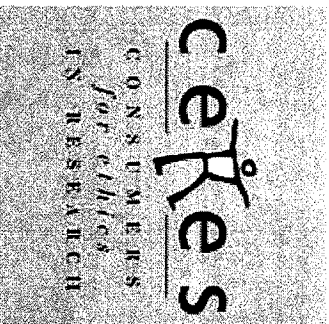
The Forum has received invitations to participate in various investor initiatives from lobbying market regulators (such as the US Securities & Exchange Commission), pursuing investor-led climate change resolutions (at US companies) and occasionally for support on specific company-based shareholder proposals.

A recent initiative by USS

(Universities Superannuation Scheme), to which the Forum executive responded positively, was the submission of a letter to the US Securities and Exchange Commission consultation on the disclosure of voting records by mutual fund managers in the US.

We also participated in the various climate change initiatives led by the CERES (a coalition of over 80 US investor, environmental and public interest organisations united to advance corporate responsibility) and the US Investor Group on Climate Change. The Forum agreed to support various shareholder proposals at US companies targeted at reducing climate change impacts, and increased environmental disclosure.

The Forum has now approved a process for LAPFF to participate with other investors in various shareholder initiatives, that arise from time to time, on matters of CG and CSR.

**The Development of the Corporate Health and Safety Performance Index**

Bill Callaghan, Chairman of the Health and Safety Commission, gave a presentation on the Corporate Health and Safety Performance Index (CHaSPI) to the July meeting of the Forum. The CHaSPI is a benchmarking tool measuring and comparing how seriously companies and organisations take their health and safety responsibilities. Performance is measured by companies and organisations completing a survey, on a voluntary basis, covering five weighted indicators (for example, rates of sickness within the workforce, health

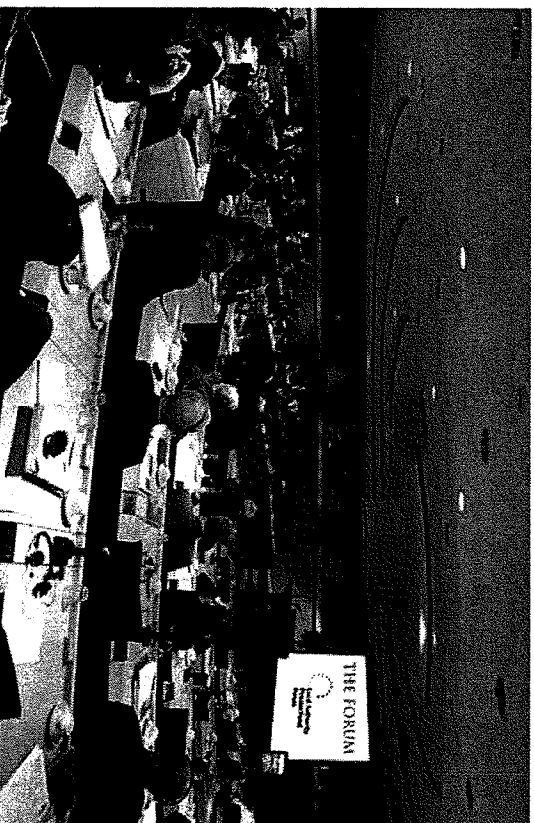
and safety management, and serious incidents).

To date 350 companies and organisations have registered for CHaSPI, and 39 reports have been published by companies and organisations on their health and safety results against the Index.

The Chairman thanked Bill for an interesting and informative presentation, and confirmed that LAPFF would continue to support the Health and Safety

Commission in their development of the CHaSPI.

A letter sent by the Health and Safety Commission to a number of chief executives of companies operating in the UK that are considered to be more exposed to occupational health and safety risks, has been endorsed by LAPFF. It was agreed that it would be useful for LAPFF to receive feedback in twelve months time on how the CHaSPI had progressed.



Holding Fund Managers to Account – We Review and Update our Investor Guide on Shareholder Engagement

The LAPFF Investor Guide on Shareholder Engagement has been available to local authority pension fund trustees since 2005, and provides them with guidance on how best to obtain the maximum benefit from shareholder activism.

It focuses on the fund's compliance with ISC and Myers' Principles. The review updates the guidance and aims to integrate more practical engagement aspects. It was initiated in 2005 to take into account:

- H.M. Treasury's review of the extent to which the Myers' Principles had been effective in bringing about behavioural changes (the Government's response to the consultation on this review has not been issued to date).

LAPFF Annual Report of Activities 2005



Local Authority Pension Fund Forum

Report provides an overview of Local Authority Pension Fund activities. It covers the Forum's and shareholder engagement in relation to companies, and on these campaigns.

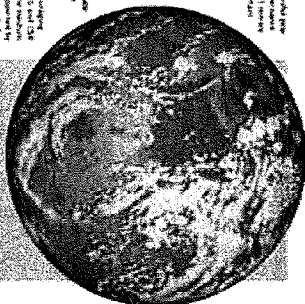
- The statutory Operating and Financial Review due to come into force in 2005.

The proposed revision of the investor guide (more details

of which can be found on the Forum's website: www.lapfforum.org) draws on findings from interviews with seven leading fund managers of local authority pension funds.



ANNUAL REPORT OF ACTIVITIES 2005 3



Shareholder Engagement
The LAFPP's shareholder engagement programme is the primary means by which the Forum's members can influence the behaviour of companies. The programme is based on the Myers' Principles and aims to integrate more practical engagement aspects. It was initiated in 2005 to take into account:

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At these meetings, LAPFF representatives fed back collective issues raised by LAPFF members to the fund managers, and discussed practical aspects of delegated engagement. The fund managers intended use of disclosures, under the then planned OFR, was also explored (the findings from this study will be published later this year).

The revised Investor Guide will help local authority pension fund trustees to assess the quality and effectiveness of their fund managers' engagement activities.

The issues highlighted by the review can be considered as critical to the success of shareholder activism in the UK, particularly where this has been delegated to fund managers. The underlying study concludes that many of the issues raised in the 2001 Myners' Review are still unresolved, such as the lack of persistence in fund managers'

shareholder engagement, or the integration of CG or CSR into the mainstream investment process.

Shareholder Activism on Climate Change – Trustees Briefing

Climate change is now recognised by government, business and investors as a major risk for companies in the

medium to long-term. LAPFF has for some time been considering the issues connected with climate change and is currently actively engaging with companies from the oil and gas sector on the assessment of sector-specific climate change risks and their mitigation. Going forward, LAPFF will extend its

engagement activities to the chemicals, food & beverages, and mining sectors.

Companies, especially those that operate globally, will increasingly face regulations aimed at introducing carbon constraints. Central to this is the Kyoto Protocol and its implementation. The Montreal Conference in December 2005 took forward both the Kyoto

Protocol and the Marrakech Accords from policy to implementation. The main outcome of the conference

was that there are now legally binding targets, and that a wider review of the entire regime has been set in motion. The Kyoto Protocol requires the UK Government to reduce aggregate emissions of six greenhouse gases during 2008-2012 to 12.5 per cent below 1990 levels.

The Government aims to go even further, by potentially cutting carbon dioxide emissions by up to 18 per cent of 1990 emissions by 2010.

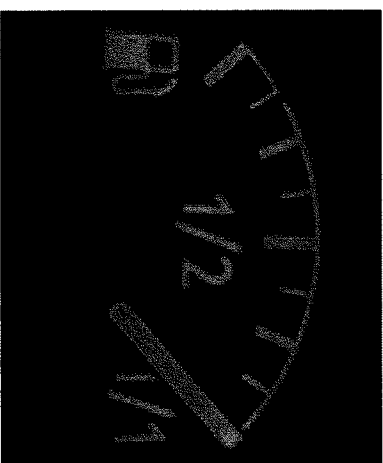
Between half and two-thirds of the cut in UK emissions will come from businesses.

The EU Emissions Trading Scheme, which came into force in 2005, is one example of how companies will have to internalise the cost associated with their greenhouse gas emissions.

In this ever-changing policy and regulatory environment, it is crucial for pension fund trustees to keep abreast of the various developments in the area – e.g. the role of different Kyoto mechanisms – in order to understand the challenges



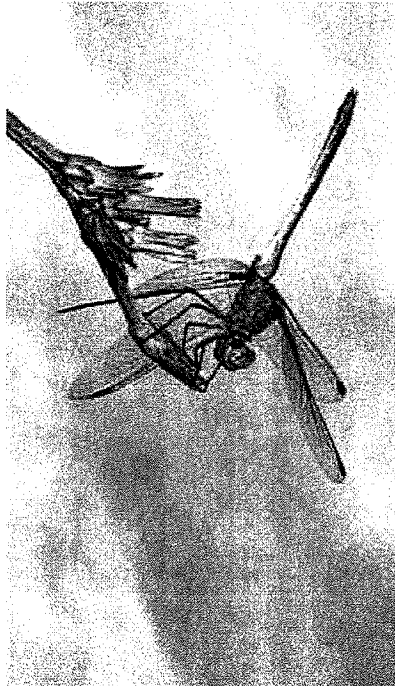
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and opportunities that arise for the companies in which they invest.

The Forum will soon produce a climate change briefing that will inform pension fund trustees concisely on all relevant policy and other matters around climate change, with particular consideration of how they affect trustees' fiduciary duties, and will seek to identify opportunities for Funds to take action on climate change.

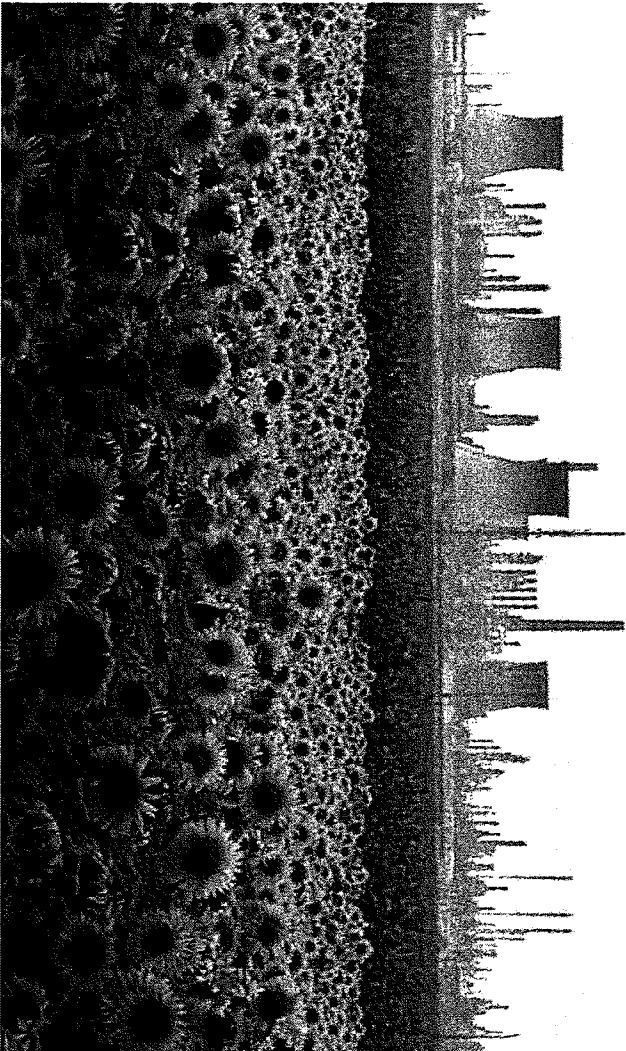
At the 2005 Investor Summit on Climate Risk, 20 institutional investors (managing 3.2 trillion US dollars) backed a call for capital market regulators to demand more rigorous corporate disclosure of climate risks. Amongst other commitments, they were also seeking to unlock 1bn US dollars in capital in the next year for investment in clean technology.



Further outcomes of the summit are:

- **The Climate Risk Disclosure Initiative (CRDI).**

This is aimed at enhancing corporations' climate risk disclosure. The effort will focus on disclosure of corporate emissions, climate actions, scenario analysis, strategic analysis, and plans



to address climate risks and opportunities. It is being developed by CERES and is currently under consultation.

- **The Development of UN Principles for Responsible Investment.**

The principles, aimed at end-asset owners, have been launched in April and provide a menu of possible actions for investors to use as appropriate to manage environmental, social and governance (ESG)-related risks and opportunities. The LAPF Executive will circulate details for consideration by individual funds.

For more information, contact:

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